

CALNET II RFP DGS-2053

Question and Answer Set #25

April 11, 2006

QA Set #26 is planned for release during the week of April 17th. It will contain responses to the other outstanding questions (#159 – #174).

175. In addendum 27 the State introduced the term "core" in The Performance Deficiency Charges Section of Section 4.5.9.2 in describing a problem with the Contractor's ability to provide information to DTS. The State says that Contractor must "correct the core problem that results in inaccurate or incomplete report content (Section 4.5.9.2)." Depending on interpretation, a "core" problem could be as simple as a process change or as complex as a major overhaul of a billing or ordering system. What is the State's definition of a "core" problem?

The State will remove the term “core” from Section 4.5.9.2. The use of that term was intended to convey to Bidders that the State expects the Contractor to correct whatever problem may be causing inaccurate or incomplete reports. The State will continue to expect the Contractor to make every effort to fix problems in coordination with the State as necessary. If Contractor determines there are extenuating circumstances for fixing a problem, they will bring those issues forward to the State for an assessment of the impact, and development of a joint solution.

176. In Section 4 under "Relationship Management Functions"(Section 4.5.9.3), the State has a requirement for the Contractor "to provide written notice to DTS/STND 60 calendar days prior to effective date of FCC and CPUC mandated and discretionary charges" or to provide the complete detail of the charge as listed in Section 4.5.9.3. a) Can Contractor provide just one or the other? b) What happens in the event that Contractor does not receive adequate notice from the regulatory body?

a) The State expects Contractor to provide written notice of mandated and discretionary charges and the complete detail of the charges listed in Section 4.5.9.3. within 60 days. b) In the event that the FCC and/or the CPUC does not provide adequate notice to the Contractor in sufficient time for Contractor to provide DTS/STND 60 calendar days prior notice, then the Contractor shall provide written notice to DTS/STND of the delay within five (5) business days of receipt of notice by Contractor from the regulatory bodies, with a copy of the notice Contractor received from the regulatory body.

177. In Table 4A Section 4.5.10, reference is made to the "DTS/STND designated website". Does the State mean a website designated for only DTS/STND (Internal to DTS/STND) or a website that DTS/STND designates?

The objective of the State is to ensure that a web site is developed and maintained as described in Section 4. The State desires to retain flexibility to assign contract information to this website as necessary, as well as to permit access to selected Customers on a “need to know” basis to meet specific business requirements (see Question and Answer # 139.)

178. An inconsistency appears to exist between Section 4.5.10 and Section 50.b. Section 4.5.10 states that "Performance categories, deficiencies, and remedies provided below may be revised and/or expanded based upon experience and observations of Contractor performance."

Section 50.b states that "the State has identified in RFP Section 4.5.10, Table 4A, certain amounts the State may assess as performance deficiency charges for certain situations (which may be modified from time to time upon agreement by the parties)."

It is unclear as to whether the State is asserting the right to change or add new performance deficiency charges to those listed in Table 4A at the State's discretion or only upon agreement by the parties. It is our hope that the State recognizes the difficulty for any vendor to accept "open ended" performance categories, deficiencies and remedies which in fact is what exists if the State retains the right to change or add to performance deficiency charges in its sole discretion.

To alleviate the inconsistency we suggest that Section 4.5.10 be revised to make it consistent with the language of Section 50.b (Performance Deficiency Charges) of the contract and should state ""Performance categories, deficiencies, and remedies provided below may be revised and/or expanded by agreement of the parties based upon experience and observations of Contractor performance."

We also suggest that Section 50.a be revised to state "The State and Contractor, therefore, agree that, in addition to the other rights of the State hereunder, the State, in its sole discretion, may invoice Contractor for performance deficiency charges identified in RFP Section 4.5.10, Table 4A to reflect Contractor's failure ..."

We believe this takes any question out of the State's ability to charge the Performance Deficiency charges in Section 4 and clarifies what is needed to revise or expand the Performance categories and remedies.

The State will clarify this inconsistency in Section 4.5.10 in a future addendum. No modification of Model Contract Section 50.a is necessary, as the location of the performance deficiency charges (in RFP Section 4.5.10, Table 4A) is already identified in Model Contract Section 50.b. The State's intention is to ensure that it has the flexibility to respond appropriately to issues or concerns that arise regarding Contractor performance. However, per Model Contract Section 50.b, both the amounts and table of performance deficiency charges may be modified from time to time upon agreement by the parties.